

## Proposed Amendment for Publication in the Register

04 NCAC 16E .0103 is proposed for amendment as follows:

### SUBCHAPTER 16E - OPERATION OF SAVINGS BANKS INSTITUTIONS

#### SECTION .0100 - DIRECTORS, BYLAWS AND CHARTER

##### 04 NCAC 16E .0103 ~~COMPOSITION OF BOARD OF DIRECTORS~~

~~(a) Requirements for the composition of a board of directors are as follows:~~

~~(1) Except in the case of a savings bank having 80 percent or more of any class of voting shares owned by a holding company or controlling person, no more than one third of the Board of Directors shall be salaried officers or employees of the savings bank, or of any subsidiary or any holding company or affiliate thereof or any controlling person affiliate thereof.~~

~~(2) In the case of a savings bank having 80 percent or more of any class of voting shares owned by a holding company or controlling person, no more than 49 percent of the Board of Directors shall be salaried officers or employees of the savings bank, or of any subsidiary or any holding company or affiliate thereof or any controlling person affiliate thereof.~~

~~(3) No more than two directors shall be members of the same immediate family.~~

~~(4) No two directors who are attorneys may be members of the same law firm.~~

~~(5) The managing officer of the savings bank shall be a member of the Board of Directors.~~

~~(b)~~ (a) A director shall not vote on any matter in which he has they have a personal or financial interest.

~~(e)~~ (b) When a savings bank institution takes action ~~resulting in the establishment of~~ establishing a new chief executive officer or director, the savings bank institution shall notify the ~~Administrator~~ Commissioner of Banks ~~in advance in writing~~ within 14 calendar days of such change, and shall provide the name of the new chief executive officer or director, the effective date of the appointment, and a statement of the person's past and current business and professional affiliations. The name of any departing chief executive officer or director shall also be provided to the ~~Administrator~~ Commissioner of Banks in writing.

~~(d)~~ (c) Significant ownership interest for the purposes of G.S. 54C-101(c) shall depend upon the ownership circumstances of each savings bank as determined by the Administrator who shall apply the requirement considering the relevant community to assure this requirement is not applied in a manner which would render it unattainable or unreasonably burdensome. In determining whether a director of a savings institution has a significant ownership interest for the purposes of G.S. 54C-101(c), the Commissioner of Banks shall consider the institutions market area to assure this requirement is not applied in a manner that would render it unattainable or unreasonably burdensome. Notwithstanding the above, any of the following shall be deemed to be significant ownership interests:

(1) For stock savings banks under fifty million dollars (\$50,000,000) in assets, stock ownership in the institution or its holding company of two thousand five hundred dollars (\$2,500.00) in market value at time of purchase; ~~or~~

(2) For mutual savings banks under fifty million dollars (\$50,000,000) in assets, a two thousand five hundred dollar (\$2,500) deposit relationship; ~~or~~

- 1 (3) For stock savings banks over fifty million dollars (\$50,000,000) in assets, stock ownership in the  
2 institution or its holding company of five thousand dollars (\$5,000) in market value at time of purchase;  
3 or  
4 (4) For mutual savings banks over fifty million dollars (\$50,000,000) in assets, a five thousand dollar  
5 (\$5,000.00) deposit relationship.

6 For savings ~~bank~~ institutions that cross the fifty million dollar (\$50,000,000) threshold, the ~~Administrator will~~  
7 Commissioner of Banks shall allow a reasonable period up to one year for the Directors to comply with the ownership  
8 interest requirement.

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10 *History Note: Filed as a Temporary Adoption Eff. October 2, 1991 for a period of 180 days to expire on March 31,*  
11 *1992;*  
12 *Authority G.S. 54B-55; 54C-53; 54C-101;*  
13 *Eff. February 15, ~~1992~~. 1992;*  
14 *Amended Eff. September 1, 2017.*